Ministry of
Agriculture

2010/11
Annual Service Plan Report

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Message from the Minister and Accountability Statement

The Ministry of Agriculture's *2010 11-2012 13 Service Plan* outlined how we would support the agriculture and food sector to grow sustainably and contribute to the health and well-being of British Columbians. This annual report demonstrates that we have made good on that commitment and outlines our many accomplishments during the fiscal year ending March 31, 2011.

Agriculture production carries inherent risks and uncertainty, which can dramatically affect business viability. This past fiscal year agriculture in British Columbia was severely impacted by extreme weather events, including drought, flooding and wildfires. Business Risk Management programs, funded jointly by the Province and the Federal government under the national *Growing Forward* agreement, proved vital in supporting the sector during these times of short term losses. In 2010/11 over $80 million in business risk management payments were made to farmers to stabilize farm incomes; and compensate for production losses.

Together with our federal counterparts, we were able to make a number of strategic investments to help producers adapt, transition and create new market opportunities. Through the federal-provincial AgriFlexibility agreement, we targeted $5 million each to support both the beef and tree fruit industries. The $5 million Beef Market Research and Development Program is one of the most tangible commitments to come out of the Ranching Task Force. It provides the support ranchers need to open new markets and engage in forward-thinking business and product innovation. This program aims to ensure our beef industry remains a sustainable and prosperous part of B.C.'s economy. The $5 million support to the tree fruit industry will help develop new marketing opportunities, infrastructure and further improve orchard pest management. This investment will enable tree fruit growers to promote BC grown fruit and compete with producers in other regions.

Major inroads were also made last year in opening Asian markets to B.C. agri-food and seafood exports. China agreed to expedite the work required to reopen its borders to Canadian beef. China also committed to finish the necessary technical work to allow BC cherries into China by the next growing season and to work as quickly as possible to enable BC blueberry exports to China.

The Ministry strongly supports the Agricultural Land Reserve (ALR) and the work done by the Agriculture Land Commission to preserve agriculture land for future generations of farm and ranch families. In its response to the Ranching Task Force, the Province committed to reviewing the ALR's boundaries, the regulations affecting inter-generational transfers of active ranch operations, and the non-farm use of land in the Reserve. A review of the ALR and the operations

of the Agricultural Land Commission was presented to government in November 2010. A priority for the coming year will be to respond to the recommendations contained in this review.

The Ministry supported the Sled Dog Task Force which delivered its final report in March 2011. The report made 10 recommendations to enhance the health, welfare and protection of sled dogs in British Columbia, strengthen animal protection legislation, including development of a mandatory code of practice for sled dog operators, and improve communication and awareness of animal abuse. The Ministry immediately accepted these recommendations resulting in $100,000 in new funding for animal cruelty investigations and imposing the toughest animal cruelty penalties in Canada.

The Ministry of Agriculture *2010 11 Annual Service Plan Report* compares the actual results to the expected results identified in the Ministry's *2010 11 – 1012 13 Service Plan*. I am accountable for those results as reported

Honourable Don McRae
Minister of Agriculture

June 21, 2011

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Highlights of the Year

Helping farmers manage risk.

Weather hazards, natural disasters, diseases, pests and market declines pose significant risks to farmers. All of these risks can cause significant short term income losses and lead to financial instability. This past year, Business Risk Management programs paid over $80 million to B.C. producers whose businesses were affected by such challenges. This funding has gone a long way toward helping B.C. farmers with income shortfalls that are clearly beyond their control. While producers cannot prevent natural hazards and their impact on crops, there are proactive measures that can be taken to minimize their effect on business. For example, AgriInsurance, formerly known as Production Insurance, offers financial protection against crop losses due to uncontrollable natural perils. The use of this precautionary measure before an emergency is an effective way for producers to manage business risk. The Ministry has been proactive in encouraging enrolment in these programs and currently more than 70 percent of eligible crops are insured under AgriInsurance. Other business risk management programs provided jointly by the federal and provincial government include AgriStability; AgriInvest; Wildlife Damage Compensation and AgriRecovery.

Support for Ranching Industry

In May 2010, the Ministry announced it would be implementing a four point action plan to improve the competitiveness of B.C.'s cattle sector. The plan consists of a $5 million Beef Market Research and Development program that will help the cattle industry strategically invest in new product development, domestic and emerging market research, trade missions, and producer and consumer education. The Ministry also agreed to continue, in perpetuity, the $9.3 million Beef Cattle Industry Development Fund that was due to terminate in 2014. The Ministry worked to raise the profile of the ranching industry through strategies such as celebrating BC Beef Day on June 2, 2010 and participating in trade missions. The Ministry also began implementing changes to improve the regulatory and policy environment for the beef industry.

Investments in Tree Fruit Industry

In July 2010, the Ministry announced it would be investing $2 million to support B.C.'s tree fruit industry, with another $3 million investment provided by the federal government through the AgriFlexibility Fund. This combined funding will be used for new environmentally friendly packaging and storage infrastructure, marketing opportunities that raise the profile of fresh and processed apples, and improved orchard pest management.

Advancing Agricultural Exports to Asia

In October 2010, the Ministry participated in the New West Partnership trade mission focussed on increasing agriculture exports to Asia from the three western provinces. Results of the

mission included the assurance that China would expedite the work required to reopen its borders to Canadian beef. China also committed to finish the necessary technical work to allow BC cherries into China by the next growing season and to work as quickly as possible to enable BC blueberry exports to China.

Action on Sled Dog Killings

On March 25, 2011 the Sled Dog Task Force presented its report to the Minister of Agriculture. The Report addressed the issues raised by the killing of approximately 100 sled dogs by an employee of an outdoor adventure tourism operation. The Task Force made 10 recommendations to enhance the health, welfare and protection of sled dogs in British Columbia, strengthen animal protection legislation, develop a mandatory code of practice for sled dog operators and improve communication and awareness of animal abuse. The Ministry immediately accepted these recommendations resulting in $100,000 in new funding for animal cruelty investigations and imposing the toughest animal cruelty penalties in Canada.

Updating Animal Health Legislation and Policy

The Ministry launched a public review of the Province's animal health policy and legislation in November 2010. B.C.'s central animal health statute, the *Animal Disease Control Act*, is over 50 years old. The goal of the review is to develop a more robust framework for the management of animal health in British Columbia with a focus on disease prevention and outbreak management and control. Managing animal health is important for the ongoing success of animal farming and ranching in BC and to prevent diseases from being passed from animals to humans.

The review of the animal health legislation follows actions undertaken by the Ministry earlier in the year to modernize the *Veterinarians Act*. The new legislation, passed in June 2010, creates the College of Veterinarians of BC, which aligns veterinarians with other self-regulating professions.

Eco-Certification of Fisheries

The Ministry assumed responsibility for marine fisheries and seafood industry development in November 2009. A highlight for the sector was progress on eco-certification of BC fisheries. In 2010/11, a total of eight fisheries were in the eco-certification process. Of these, five fisheries have achieved Marine Stewardship Council (MSC) certification: Pacific halibut and Pacific hake mid-water trawl were approved in 2009 and albacore tuna, sockeye salmon and sablefish were approved in 2010. These were landmark achievements for the seafood industry as it responded to the increased demand for food supply traceability and sustainability in both global and domestic markets.

Transfer of Aquaculture to Federal Administration

In February 2009, the B.C. Supreme Court ruled that marine finfish aquaculture is a matter of federal jurisdiction and directed the transfer of administration and regulatory control to the

federal government. In addition to marine finfish aquaculture, the Province negotiated the transfer of shellfish and freshwater aquaculture to the federal government in order to streamline the regulatory system. The transfer was completed on December 18, 2010. This decision enables the Government of Canada to become the single regulator for aquaculture operations, while the Province retains management over Crown land. Responsibility for aquaculture land tenuring remains with the Province, but is now the responsibility of the Ministry of Forests, Lands and Natural Resource Operations. The Ministry retains responsibility for licensing and inspection of fish processing, and aquaculture development.

Early morning in Fraser Valley fields, BC

Purpose of Ministry

The Ministry of Agriculture helps the agriculture, fisheries, food and bioproduct[1] sectors to grow and achieve economic, social and environmental sustainability, supporting the delivery of safe, healthy and high quality food and bioproducts.

The Ministry:

- delivers programs to stabilize farm incomes against circumstances beyond farmers' control;
- works to balance urban / agriculture interests;
- supports a regulatory system and practices that promote environmentally sustainable systems, food safety and socially responsible production practices;
- monitors and manages, in partnership with the Ministry of Health and the Federal government, the risk of diseases that threaten B.C.'s plant and animal production systems;
- provides guidance and funding to the sector to increase innovation, competitiveness and profitability to meet consumer demands;
- supports the agriculture industry to contribute to the green economy;
- works with other ministries, federal partners and other governments, stakeholders and industry to ensure sustainable marine fisheries; and
- supports the growth and development of the seafood sector.

The Ministry relies on inter-agency partnerships such as those with the Agricultural Land Commission and the B.C. Farm Industry Review Board. The Commission is an administrative

[1] Bioproducts are products such as natural health products, biofuels, biomaterials and biochemicals that are made from living, or previously living, material. Examples include herbal products, probiotics, wood pellets, methane gas from anaerobic digestion of agricultural waste, and enzymes extracted from eggs.

tribunal that oversees the Agricultural Land Reserve, a provincial land use zone that recognizes agriculture as a priority use. The Commission operates independently but is funded through the Ministry. The Farm Industry Review Board is a statutory appeal body with additional responsibilities for the general supervision of commodity boards and commissions in addition to administering the *Farm Practices Protection (Right to Farm) Act.*

The Ministry also partners with other provincial ministries, various levels of government, First Nations, industry, government committees and non-government organizations in terms of funding, collaboration and service delivery. The mandates of these agencies connect in key areas such as climate change, innovation, resource management coordination, food safety and quality, support for local food, commitments to First Nations, invasive plant and pest management, environmental issues and promotion of B.C. agriculture products.

Management and regulation of agriculture is a shared jurisdictional interest of both the federal and provincial government. The Ministry and the industry receive considerable financial support from federal cost-shared programs.

The legal and regulatory environment that guides the work of the Ministry includes 32 statutes which relate wholly or primarily to the Ministry and a further 73 regulations relating to the Ministry. A complete list of legislation for which the Ministry is responsible is available at: www.leg.bc.ca/procs/allacts/agric.htm.

Strategic Context

The Ministry of Agriculture works to promote profitable and sustainable agriculture and food systems, while taking a balanced approach to resource utilization. The following section provides a summary of the external factors and trends that influenced the Ministry's performance in 2010/11.

Global Economic Outlook

British Columbia's real GDP increased by 4.0 per cent in 2010, following a decline of 1.8 per cent in 2009. Indicators of economic performance in 2010 show that BC's economy is recovering from the period of severe weakness it experienced in late 2008 and early 2009. Improvements in the domestic economy were observed in employment, consumer spending and housing, while external gains were made in exports and shipments of manufactured goods. However, several risks to BC's economy remain, including ongoing weakness in the US, the European sovereign debt crisis, continued strength in the Canadian dollar, and geopolitical uncertainty and its impact on global commodity markets.

Cost Competitiveness

Over the past several years, BC's agriculture industry has faced significant challenges affecting overall competitiveness and profitability. While Statistics Canada reports that overall farm incomes increased in 2010, net income can vary widely from farm to farm depending on the type of commodity produced, the cost of inputs and economies of scale. BC's agriculture and seafood industries also compete in international markets where competitors with similar or lower cost structures enjoy greater economies of scale and create downward pressure on food commodity prices.

Severe Weather

Over the past few years, virtually every region of the province has had to deal with severe environmental conditions, including flood, fire, and drought. Our growers in the Fraser Valley dealt with severe crop losses in the fall of 2010 due to record heavy rain during September. Many Fraser Valley potato and cole crops were sitting in fields immersed under water. This meant harvest was well behind in some areas and virtually wiped out in others. Conditions were similar on Vancouver Island. Ministry staff acted quickly to set up a number of AgriStability information sessions for growers in Abbotsford and Delta and followed up individually with growers on Vancouver Island to ensure they were aware of the options available to them. Forest fires in the Cariboo-Chilcotin region damaged standing and stored forage supplies, caused livestock mortality and destroyed fencing. Meanwhile, farmers in the Peace Region experienced continuing drought conditions. In response, the Province waived farm income and production requirements for the 2011 property assessment roll to ensure farmers are not unduly burdened with higher taxation levels associated with residential land as compared to farm land. To address

losses stemming from the 2010 fire season, the Ministry has requested an AgriRecovery assessment from the federal government to assist farmers and ranchers.

Public Interest in Food Security and Buying Local

Awareness is growing regarding the benefits of supporting locally produced food which is leading to changes in eating habits and consumer preferences. Buying local not only reduces the distance food travels from farm to plate, it also supports family farms and the future of agriculture. The diversity of the BC agriculture industry provides unique opportunities to supply fresh, healthy food directly to consumers. There are now over 125 farmers markets across the province, representing an increase of over 100 per cent since 2000. These trends create a tremendous opportunity for the sector. To enhance this opportunity, the Ministry provided grants of $75,000 each to the BC Association of Farmers' Markets and the BC Association of Agricultural Fairs and Exhibitions.

Innovation

BC has the most diverse agriculture industry in Canada with more than 225 farm commodities and a seafood sector that supplies more than 100 species of fish, shellfish and marine plants. In addition, the Province has over 1,400 food processing businesses that produce a wide variety of foods and beverages for the marketplace. The diversity of the agriculture, fisheries and food sectors provides many opportunities for innovation, value added processing and marketing. Innovation in functional foods, such as the use of reformulated feeds to produce more nutritious dairy products, is just one example of the opportunities presented by adding value in the production chain. Continued industry efforts to diversify into higher value products and new niche markets, supported by government efforts to improve market access, are strengths of the BC industry. During 2010, the Ministry partnered with the Federal government to provide $1.475 million in funding for innovation.

Climate Change Adaptation

The Ministry supports the provincial Climate Change Adaptation Strategy, which calls on government agencies to consider climate change and its impacts, where relevant, in planning, projects, policies, legislation, regulations, and approvals, by assessing business risks and opportunities related to climate change. Adaptation is a vital part of government's climate change plan. It means taking action now to prepare for a changing climate and its impacts on ecosystems, resources, businesses and communities.

Urban / Agriculture Interactions

A large portion of B.C.'s most productive farmland is in close proximity to urban development. Odour, noise and dust concerns, competing demands for existing water resources, growing concern over air quality and emissions, as well as the growing pressures from other sectors to make alternate use of agricultural lands can affect the overall viability of the agriculture sector.

The Ministry strongly supports the Agricultural Land Reserve and the work of the Agricultural Land Commission to assist farm families and enhance the sustainability of agriculture in B.C.

Resource Management Coordination

The Ministry is working collaboratively with the Ministries of Energy and Mines; Aboriginal Relations and Reconciliation; Environment; Forests, Lands and Natural Resource Operations; and Jobs, Tourism and Innovation to promote integrated and timely delivery of services to clients in all regions across British Columbia. Such collaboration is designed to support the competitiveness of natural resource enterprises and reinforce sustainable environmental management. Collaborative efforts offer the opportunity for alignment of government resources to advance economic development and sustainable communities. Improving the efficiency of service delivery will also help address budget realities and demographic challenges facing the Province.

Report on Performance

Performance Plan Summary Table

Goal 1: Agriculture, food sectors and land-use contribute positively to the economic well-being of the Province For greater detail see pages 15 to 18	**2010/11 Target**	**2010/11 Actual**
1.1 Strategic growth of the agriculture sector Ratio of Ministry expenditures on investment versus income stabilization	50:50	40:60 NOT ACHIEVED
Ratio of Administration costs to premiums for Production Insurance	20:80	22:78 SUBSTANTIALLY ACHIEVED
Number of commercial BC fisheries in the Marine Stewardship Council's eco-certification process	8	8 ACHIEVED
Goal 2: World-leading environmental stewardship in agriculture, aquaculture and food practices For greater detail see pages 19 to 20	**2010/11 Target**	**2010/11 Actual**
2.1 Effective management of environmental risks in agriculture, aquaculture and food sectors Per cent of industry operators in compliance with finfish aquaculture licensing and regulatory requirements	100%	98% SUBSTANTIALLY ACHIEVED
2.2 Sustainable agriculture management practices that reduce greenhouse gas emissions and assist successful adaptation to climate change Cumulative tonnes of CO_2 emissions reduced or averted from actions supported by Ministry programs	21,000	21,000 ACHIEVED
Goal 3: Community and social well-being is enhanced by agriculture, aquaculture and food practices For greater detail see pages 21 to 24	**2010/11 Target**	**2010/11 Actual**
3.1 Promote a positive urban/ agriculture relationship to facilitate sustainable growth for farms while enhancing the overall quality of life for British Columbians Number of agriculture area plans completed	30	37 EXCEEDED
3.2 Animal, fish, plant and human health are safeguarded Per cent of routine (diagnostic) animal samples completed within seven working days	80%	85% EXCEEDED
Per cent of operators in compliance with fish health management plans	100%	100% ACHIEVED

Goals, Objectives, Strategies and Performance Results

The Ministry's 2010/11 service plan was organized around three long-term goals:

- Agriculture, food sectors and land-use contribute positively to the economic well-being of the Province;
- World-leading environmental stewardship in agriculture, aquaculture and food sector practices; and
- Community and social well-being is enhanced by Crown land administration, agriculture, aquaculture and food sector practices.

In the fall of 2010, the Ministry's Crown lands division and aquaculture lands tenure function were transferred to the Ministry of Forests, Lands and Natural Resource Operations. Other functions such as grazing and range stewardship policy; and, marine fisheries and seafood industry development were realigned within the Ministry of Agriculture to support the new structure of government. The goals, objectives strategies and performance measures associated with the Crown lands program have been deleted from the Annual Report as they are no longer the responsibility of this Ministry while the strategies and performance measures associated with marine fisheries and seafood industry development have been added.

Goal 1: Agriculture and food sectors contribute positively to the economic well-being of the Province

Objective 1.1: Strategic growth of the agriculture, fisheries and food sectors

The Ministry promotes sector profitability and self-reliance through programs and services that improve market access, foster innovation and efficiency and provide farmers with the tools to sustain their business in the face of environmental and market risk.

Strategies

- Promote, deliver and improve national business risk management programs and services.
- Provide information, research and advice to help producers improve business management and increase innovation and profitability.
- Promote agricultural activities in First Nations communities for consideration in their overall economic development strategies.

- Help strengthen ranching industry competitiveness and profitability by working in partnership to implement the Ranching Task Force's recommendations, as approved by government.
- Undertake initiatives to enhance the competitiveness and sustainability of BC's seafood products in domestic and international markets.

Performance Measure 1: Ratio of Ministry expenditures on investment versus income stabilization

Performance Measure	2007/08 Baseline	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual
Ratio of Ministry expenditures on investment versus income stabilization	40:60	47:53	47:53	50:50	40:60 NOT ACHIEVED

Data Source: Ministry of Agriculture

Discussion of Results

This indicator compares Ministry program expenditures in investment to expenditures that support income stabilization. Investment programs help producers improve profits and income through innovation and new market opportunities. Income stabilization or "business risk management" assists producers to insure themselves against uncontrollable income loss due to adverse weather, risks to animal health and/or trade barriers. The Ministry strategy is to gradually shift towards increased investment while maintaining sufficient funding to support the industry to manage uncontrollable losses.

Okanagan Grapes

Ministry Response

Performance on this measure was constrained by severe weather that affected virtually every region of the province in 2010/11. This past year, Business Risk Management programs paid over $80 million to BC producers whose businesses were affected by risks that were clearly

beyond their control. Business Risk Management programs are funded jointly by the Province and the Federal government under the national *Growing Forward* agreement. This agreement expires in 2013. Pending the renegotiation of a new federal-provincial funding framework, this performance measure has been dropped from future Service Plans.

Performance Measure 2: Ratio of administration costs to premiums for Production Insurance

Performance Measure	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual
Ratio of administration costs to premiums for Production Insurance	22:78	22:78	20:80	22:78 SUBSTANTIALLY ACHIEVED

Data Source: Ministry of Agriculture.

Discussion of Results

This measure indicates the efficiency of delivering the Production Insurance program through government by comparing administration cost to the private sector. In the private sector, administration costs are included as part of premium revenue and generally range between 25 per cent and 30 per cent of total premium revenue. Production Insurance in Canada is delivered by provincial administrations. A ratio of 20:80 provides an optimum balance between efficiency and appropriate administration expenditures to determine coverage, adjust losses and set premiums required to ensure the integrity of an insurance plan is maintained. Inadequate expenditure results in higher claim losses and therefore premium costs. Production Insurance methodologies in B.C. for coverage determination and premium rates are certified by an independent licensed actuary.

Administrative costs for overhead, information technology and other services that are delivered on a shared basis through Corporate Services Division are beyond the Ministry's direct control. These costs have increased 283 per cent since the 2007/08 fiscal year. The increase from 2009/10 to 2010/11 was 26 per cent. Availability of data and claim administration systems have challenged timely delivery of BRM programs. A software solution has been sourced and is being implemented in April 2011. This solution is expected to improve response time for clients.

Performance Measure 3: Number of commercial BC fisheries in the Marine Stewardship Council's eco-certification process

Performance Measure	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual
Number of commercial BC fisheries in the Marine Stewardship Council's eco-certification process[1]	6	8	8	8 ACHIEVED

Data Source: Ministry of Agriculture.

[1] Numbers are cumulative.

Discussion of Results

Third-party eco-certification of commercial marine fisheries is necessary for maintaining access to global markets. The Marine Stewardship Council (MSC) is an independent, global, non-profit organization that provides eco-certification to well-managed fisheries around the world. MSC certification is considered to be the gold standard for identifying a sustainable fishery. The Council's label of approval also reflects consumer preference for seafood products that contribute to healthy sustainable stocks.

Fishing boats off the coast of Prince Rupert

Fishery assessments for MSC certification are conducted by an independent body and are consistent with the United Nations Food and Agriculture Organization's guidelines for sustainable fisheries and fisheries eco-labelling. The process generally takes up to two years to complete. Once certified, a fishery must undergo rigorous monitoring to ensure that it continues to meet the highest standards of sustainability.

In 2010/11, a total of eight BC fisheries were in the eco-certification process. Of these, five have achieved MSC certification: B.C.'s Pacific halibut and Pacific hake were certified in 2009 and B.C.'s North Pacific albacore tuna, sockeye salmon and sablefish were certified in 2010. Other fisheries in the full assessment stage include: pink salmon, chum salmon and spiny dogfish. An additional number of BC fisheries are in the confidential pre-assessment phase.

The halibut, hake, tuna, sablefish and sockeye fisheries accounted for 48 per cent ($292 million) of the total wholesale value of $611.9 million for BC marine-capture fisheries in 2009. In 2010 the sockeye fisheries was the largest since 1913 and generated approximately $100 million in exports.

Goal 2: World-leading environmental stewardship in agriculture, aquaculture and food sector practices

Objective 2.1: Effective management of environmental risks in agriculture, aquaculture and food sectors

The Ministry supports the agriculture, aquaculture and food sectors to proactively address environmental risks and the impacts of climate change.

Strategies

- Provide programs and activities to identify and address critical agricultural environmental issues and adoption of best management practices.
- Manage licensing, tenures and compliance for aquaculture; as well as the orderly transition of licensing activities for aquaculture to the federal government, to ensure operators are accountable for implementing environmentally sustainable practices.
- Support local governments, as well as the agriculture, food and aquaculture sectors to prepare for and recover from environmental disasters.

Performance Measure 4: Per cent of industry operators in compliance with finfish aquaculture licensing and regulatory requirements

Performance Measure	2007/08 Baseline	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual[1]
Per cent of industry operators in compliance with finfish aquaculture licensing and regulatory requirements	99.20%	99.25%	99.5%	100%	98% SUBSTANTIALLY ACHIEVED

Data Source: Ministry of Agriculture and Ministry of Environment joint report: *Regulatory Compliance of British Columbia's Marine Finfish Aquaculture Facilities Annual Report.*

[1] Estimate, based on calendar year inspections from January 1, 2010 to December 18, 2010.

Discussion of Results

The intent of licensing and regulatory requirements is to ensure that finfish aquaculture operators are demonstrating accountability in implementing environmentally sustainable practices, which includes the prevention of finfish escapes to the environment. This measure provides an indication of the industry-wide compliance with the Province's aquaculture licensing and regulatory requirements based on a calendar year inspection cycle. With the transfer of responsibility for marine finfish aquaculture to the federal government in December 2010,

regulatory compliance is now a function provided by the Department of Fisheries and Oceans Canada. For this reason, this performance measure has been dropped from future Service Plans.

Objective 2.3: Sustainable agriculture management practices that reduce greenhouse gas emissions and assist successful adaptation to climate change

The Ministry supports the efforts of industry to develop innovative products, tools and processes to mitigate greenhouse gas emissions by promoting research and identifying effective climate action strategies.

Strategies

- Support initiatives to reduce and capture methane, carbon dioxide and nitrous oxide emissions from agriculture activities.
- Investigate opportunities for carbon sequestration and encourage improved environmental practice initiatives in agriculture.
- Identify, research and develop market opportunities for the agriculture sector that support the Province's climate change goals.
- Cooperate with the Pacific Carbon Trust and the Western Climate Initiative for opportunities for agriculture to achieve provincial objectives.
- Support improvements in the efficiency of water use by the agriculture sector.

Performance Measure 5: Cumulative tonnes of CO2 equivalent emissions reduced or averted from actions supported by Ministry programs

Performance Measure	2008/09 Baseline	2009/10 Actual	2010/11 Target	2010/11 Actual[2]
Cumulative tonnes of C02e emissions reduced or averted from actions supported by Ministry programs[1]	19,000	20,000	21,000	21,000 ACHIEVED

Data Source: Ministry of Agriculture; Pacific Carbon Trust.

[1] Includes the number of offset tonnes of CO2 equivalent emissions retired through the Pacific Carbon Trust each year in emissions reduction projects which can be classified as coming from the agriculture sector (for example: energy efficiencies recognized in the greenhouse industry) and the effect of other actions supported by Ministry programs. Carbon offsets are measured as one metric tonne of carbon dioxide or equivalent (CO2e)

[2] Preliminary estimate.

Discussion of Results

This measure indicates the success of the Ministry in encouraging agriculture related businesses to implement innovations or practices which reduce greenhouse gas emissions. The Pacific Carbon Trust is a provincial Crown Corporation with a mandate to deliver B.C. based

greenhouse gas offsets to help clients meet their carbon reduction goals and to support growth of this industry in B.C.

Goal 3: Community and social well-being is enhanced by agriculture, aquaculture and food sector practices

Objective 3.1: Promote a positive agriculture/urban relationship to facilitate sustainable growth for farms while enhancing the overall quality of life for British Columbians

Agriculture activity depends on good relations with local government and community members. While preservation of agricultural land in British Columbia is overseen by the Agricultural Land Commission, the Ministry builds on this mandate and aims to create a positive agriculture/urban environment to ensure local government and the public value the contributions of agriculture.

Strategies

- Promote a positive regulatory climate with local government to support the sector across British Columbia.
- Build a greater understanding of agriculture's contribution to the community through proactive communication strategies.

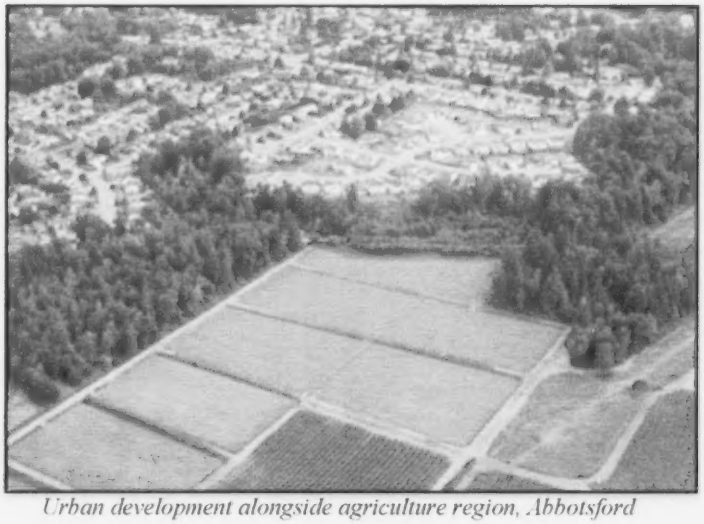
Performance Measure 6: Number of agriculture area plans completed

Performance Measure	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual
Number of agriculture area plans completed[1]	26	29	30	37 EXCEEDED

Data Source: Ministry of Agriculture.

[1] Numbers are cumulative

Discussion of Results



Urban development alongside agriculture region, Abbotsford

This measure provides an indication of how capacity is being built within farm communities to influence issues that affect agriculture. An agriculture area plan focuses on a community's farm area to discover practical solutions to issues and to identify opportunities to strengthen farming. Key stakeholders prepare the plan, which includes strategies for economic development, joint marketing and processing, agri-tourism and proposals for by-law amendments to support agriculture. The official community plan is often amended to incorporate elements of the agriculture area plan. With the financial support of the Investment Agriculture Foundation, many local governments have become active in this area. The interest in local food production and sustainable communities has contributed to the growing number of local governments developing agriculture area plans.

Objective 3.2: Animal, fish, plant and human health are safeguarded

The Ministry, in partnership with other government agencies, delivers services and initiatives to effectively manage food safety, plant, livestock and fish health risks contributing to positive public health and to maintaining consumer confidence.

Strategies

- Implement and deliver comprehensive, provincial level programs for animal, fish and plant health that manage the risks of disease and invasive species, and support public health and national programs.
- Maintain high standard of service for processing plant and animal diagnostic and surveillance samples to monitor and mitigate risks.
- Enable agriculture, aquaculture and food sectors to contribute to government's priority for healthy British Columbians and capitalize on new market opportunities.

Examining pepper leaves for pest damage in the Ministry's Plant Diagnostic Laboratory.

- Support the health of British Columbians by increasing awareness and adoption of food safety programs and practices.
- Continue to work with government and industry groups to identify and implement traceability and bio-security strategies that will reduce the risk of foreign animal disease incursions and outbreaks.

Performance Measure 7: Per cent of routine (diagnostic) animal samples completed within seven working days

Performance Measure	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual
Per cent of routine (diagnostic) animal samples completed within seven working days[1]	Data not available	75%	80%	85% Exceeded

Data Source: Ministry of Agriculture.

[1] Samples tested in-house and not referred to another laboratory. Diagnostic tests require minimum times to complete, depending on nature of the test.

Discussion of Results

The Animal Health Centre is a fee-for-service veterinary diagnostic laboratory located in the Abbotsford Agriculture Centre. The mandate of the Centre is to diagnose, monitor and assist in controlling and preventing animal disease in British Columbia. The Centre offers a wide range of veterinary laboratory tests on a fee basis to diagnose disease and other causes of poor production or mortality in animals. Samples from wildlife, marine mammal and SPCA investigations are also regularly submitted to the Centre for examination and diagnostic tests.

It is important that diagnostic specimens are processed and the results reported back as soon as possible so that the submitter can respond with corrective measures, and thereby reduce or prevent any further disease and consequential economic loss or animal welfare issues. This relates particularly to diseases that could be transmissible from animals to humans. This performance measure is an indication of how quickly results are reported, and one that laboratory staff are committed to maintain and improve wherever possible.

Performance Measure 8: Per cent of operators in compliance with fish health management plans

Performance Measure	2006/07 Baseline	2009/10 Actual [1]	2010/11 Target	2010/11 Actual[2]
Per cent of operators in compliance with fish health management plans	100%	100%	100%	100% ACHIEVED

Data Source: Ministry of Agriculture

[1] Based on 2009 Annual Fish Health Report

[2] Based on Fish Health Quarterly reports for first three quarters of 2010.

Discussion of Results

The Fish Health Program was implemented in 2001, requiring salmon producers to document their health management plans and to engage in mandatory standard reporting. All commercial salmon farms are required to have an approved Fish Health Management Plan (FHMP) in place as a condition of their licence. The plan outlines the principles and procedures that finfish operators use at their facilities to reduce the risk of the disease in fish and prevent the spread of disease, including key controls related to bio-security and reporting of fish health events. The Ministry conducts random audits of all active marine salmon farms quarterly to ensure compliance with Fish Health Management Plans.

Quarterly audits of Fish Health Management Plans by Ministry staff were discontinued in December 2010 when the Department of Fisheries and Oceans Canada took over responsibility for aquaculture licensing. For this reason, this performance measure has been dropped from future Service Plans.

Report on Resources

Core Business Area	Estimated[1]	Other Authorizations[2]	Total Estimated	Actual	Variance
Operating Expenses ($000)					
Agriculture Operations[3]	10,884	(236)	10,648	11,115	467
Strategic Industry Development[4]	34,120	(1,321)	32,799	35,204	2,405
Crown Land Administration	13,654	(11,898)	1,756	(4)	(1,760)
BC Farm Industry Review Board	1,016	0,000	1,016	1,017	1
Executive & Support Services[5]	8,820	(1,279)	7,541	6,488	(1,053)
Environmental Stewardship[6]	0,000	952	952	972	20
Executive and Support Services[6]	0,000	11	11	14	3
Forest & Range Resource Management[7]	0,000	500	500	367	(133)
Sub Total	**68,494**	**(13,271)**	**55,223**	**55,173**	**(50)**
Agricultural Land Commission	2,088	0,000	2,088	2,082	(6)
Crown Land Special Account	20	(20)	0,000	0,000	0,000
Production Insurance Account	11,500	11,197	22,697	22,697	0,000
Adjustment of Prior Year Accrual	0,000	0,000	0,000	335	335
Total	**82,102**	**(2,094)**	**80,008**	**80,287**	**279**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Agriculture Operations	0	26	26	75	49
Executive & Support Services	55	0	55	4	(51)
Total	**55**	**26**	**81**	**79**	**(2)**
Other Financing Transactions ($000)					
Agriculture Credit Act - Receipts	**50**	**0**	**50**	**62**	**12**
Crown Land Administration - Disbursements	(4,250)	4,250	0	0	0
Net Cash Source (Requirements)	**(4,200)**	**4,250**	**50**	**62**	**12**
Total Receipts	**50**	**0**	**50**	**62**	**12**
Total Disbursements	**(4,250)**	**4,250**	**0**	**0**	**0**
Total Net Cash Source (Requirements)	**(4,200)**	**4,250**	**50**	**62**	**12**

[1]The "Estimated" amount corresponds to the Estimates as presented to the Legislative Assembly in March 2010

[2] Other Authorizations include transfers to the Ministries of Aboriginal Relations and Reconciliation; Forests and Range, and Natural Resource Operations, and from the Ministries of Environment, and Forests and Range, in October 2010, and a one-time capital transfer from the Ministry of Environment.

[3] The $0.467 million deficit in Agricultural Operations included unanticipated salary costs and lower than expected recoveries.

[4] The $2.405 million deficit in Strategic Industry Development included costs for shared federal-provincial programs that were funded through savings in Crown Land Administration, and unanticipated salary costs.

[5] The $1.053 surplus in Executive and Support Services includes salary savings, in part due to reduced leave liability costs; lesser savings in operating and other expenses; and higher than anticipated recoveries.

[6] Transfer from the Ministry of Environment.

[7] Transfer from the Ministry of Forests and Range.

[8] Capital Expenditures in fiscal 2010/11 included $0.080 million in the Agriculture Operations Division.

Operating Expenses

The Ministry was on budget in fiscal 2010/11 (under spent by $0.056 million). The overall deficit was a result of prior year accrual adjustments and not of fiscal 2010/11 activities.

Comparison of 2010/11 and 2009/10 Expenses

In the October 2010 government reorganization, the Ministry transferred out $12.314 million to the Ministry of Natural Resource Operations for a number of different programs. In addition $2.005 million was transferred to the Ministry of Forests and Range for strategic land policy. The Ministry transferred in $0.963 million from the Ministry Environment for Marine Fisheries, and $0.500 million from the Ministry of Forests and Range for range resource management.

Appendix

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For more information about the *British Columbia Agriculture Plan: Growing a Healthy Future for B.C. Families*, visit the website at: www.al.gov.bc.ca/Agriculture_Plan/

For more information about the Ministry of Agriculture, including full contact information, visit our website at: www.gov.bc.ca/al/